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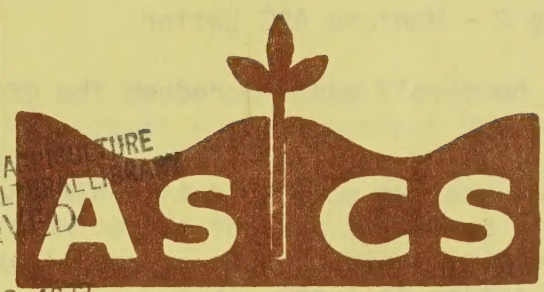
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MONTANA LETTER

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PROCUREMENT SECTION
October 31, 1972
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WATER BANK COUNTIES NAMED

Six Montana counties are among the 62 in 15 States which have been designated to encourage preservation of migratory waterfowl habitat under the 1973 water bank programs. Montana also has six counties participating in this year's program, the first since passage of authorizing legislation.

Program counties for next year include five repeaters from 1972 - Daniels, Pondera, Roosevelt, Sheridan, Toole - and one newcomer, Glacier, replacing Teton. Owners and operators of eligible wetlands in these counties will have the opportunity to sign ten-year agreements to maintain wetlands and to provide habitat for nesting and brooding areas.



Participating farmers will be compensated during the years of the contract at the rate of \$5 annually for each wetland acre. Addition-

ally, adjacent lands providing needed nesting and brooding habitat can be placed under contract at rates varying

from \$10 to \$14 per acre for cropland and \$7.50 to \$10.50 for noncropland.

The water bank program is designed to encourage farmers to help preserve the migratory waterfowl producing wetlands of the nation. The program concentrates primarily on the northern part of the Central and Mississippi waterfowl flyways with a limited number of counties in other areas. Flyways are the north-south migratory routes used by waterfowl.

Thirty-four agreements covering 4,165 acres have been completed in the six Montana counties participating in this year's program. This includes 1,242 acres of wetlands and 2,923 acres of adjacent habitat acreage. Under these agreements, land owners and operators will earn \$39,925 annually for maintaining the wetlands and habitat.

It is probable that a few more agreements will be added to the 1972 summary since only two counties have completed review and acceptance of contracts.

LOANS WORK WITH CONTRACTS

About the time you get to thinking that people must be familiar with ongoing programs and procedures, someone destroys the illusion. Like last week, when a grain grower said he had a chance for a good future delivery contract on wheat but it was under price support loan. He wanted to sign the contract

but he didn't want to redeem the grain now.

Of course, we pointed out to him that it is perfectly alright to contract commodities under price support loan for future delivery. This is a change that was made more than a year ago as part of USDA's effort to give producers the widest possible opportunity to market their grain advantageously.

By being able to obtain a loan on grain under contract, the owner can secure money to help meet operating expenses until the contract matures.

Although contracting of loan grain for future delivery is permitted, the contract must retain to the producer title, including risk of loss, until the sale is completed.

Another question raised relates to redemption. The questioner knew he could redeem current loan (1972-crop) grain at any time but he didn't know if this provision applied to resale grain, too. The answer is yes. Commodities under loan may be redeemed any time regardless of whether they are current or resale, farm-or warehouse-stored.

The thing that's a little different about resale involves storage payments. Redeeming grain prior to the end of the resale storage year will result in a proportionate reduction in the storage payment earned--but it also cuts down the interest.

Since both of these questions contem-

plate ultimate redemption of loan collateral, perhaps a couple of comments about this would be useful.

In many instances, owners come to their ASCS office with money to repay their loan principal and interest. This is quick, simple, and immediately removes our financial interest and mortgage on the grain.

In many other instances, the owners would like to remove their grain from storage before repaying the loan. Again, in the interest of convenience and service to farmers, provision has been made for them to do this.

Authorization to remove a mortgaged commodity from storage before repayment may be secured at the ASCS county office. Removal of collateral without authorization may subject the owner to penalties for unauthorized removal or

fraud.

When authorization to remove loan collateral is given, the owner may remove and market it. He agrees that he will send a copy of the authorization to the purchaser. This allows the buyer to protect himself from purchasing mortgaged property by sending a check out of sales proceeds to the ASCS office to repay the loan.

As part of the authorization, the buyer also agrees that he will make certain the loan is repaid as soon as the commodity is delivered to the buyer but not later than the date specified in the authorization.

Exports by the Acre

Though U.S. farm exports reached an alltime high in fiscal '72, they were produced on fewer acres than a year earlier.

The more than \$8 billion in farm commodities shipped overseas last year required the output of 1 in every 5 acres harvested, or some 65 million acres. The dropoff from the 72 million acres needed in 1970/71 resulted partly from a substantial increase in crop yields during 1971.

Exports accounted for half the total soybean and rice production, and two-fifths of U.S. cattle hides, wheat, and tallow. One-third of tobacco and cotton output went to foreign outlets. Feed grain exports amounted to about one-fourth of the sales by U.S. farmers.

Overseas markets also took a substantial share of several minor products, including a fourth of all dried edible beans, lemons, and nonfat dry milk.

This type of arrangement, based largely on the good faith and honesty of buyers and sellers, enables us to greatly simplify the repayment process.

So that's the answer to a couple of questions. If you have any that you'd like to ask, see the folks at your ASCS county office or drop us a line. We'll be glad to help.

ASC NOMINEES BEING SELECTED

This is a sort of interim period in ASC elections so far as most ranchers and farmers are concerned.



The period for nominating candidates by petition ended last Friday. The ball now passes to the community committees who have the responsibility for nominating additional candidates as may be necessary to provide a slate of at least six in each community.

When the community committees have finished this work, ASCS offices will begin preparing ballots for mailing to voters by November 17. Balloting must be completed by December 1.

The election process is moving along but there is still time for any person who is not listed as an eligible voter but believes he is eligible to make his move. In general, any person taking part or eligible to take part in a program we administer is eligible to participate in elections.

If you know someone who is new in the community or for other reason

might not be on our eligible voter list, suggest that he contact the ASCS county office and get his name on the list to receive a ballot.

WORLD WHEAT PRODUCTION DOWN

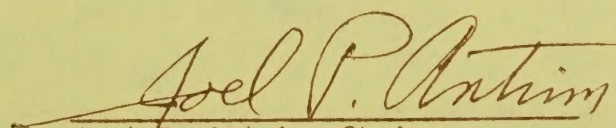
This year's world wheat crop is now estimated at 303 million tons by USDA's Foreign Agricultural Service. This would be about 20 million tons less than 1971's 323 million tons with most of the decline reflecting the 20 million ton drop in the USSR crop.

U.S. production is estimated at 42.4 million tons or 2.2 million below 1971.

Canada's production at 14.3 million tons is about the same as last year. Australian production is expected to drop due to drought to 6.7 million tons from 8.6 million last year while Argentina is expected to harvest 7.5 million tons, up from 5.4 million last year.

SPREADING IT THIN...AND QUICK

AUSTRALIAN WHEAT PRODUCERS have proposed expanding production quotas for next year to allow harvesting of a crop totaling 515 million bushels. This would be the largest crop ever harvested and twice the total expected from this year's drought affected crop.... A BILL INCREASING from three to four the number of consecutive terms that ASCS county committeemen may serve was passed by the House of Representatives shortly before Congress adjourned.....LESS THAN HALF as much wheat from the 1972 crop was under price support loan at the end of September as farmers had offered from the 1971 crop a year earlier. National totals were 103.7 million bushels last September 30 and 252.3 million bushels on September 30, 1971.


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